

CANADA MALTING
CO. LIMITED



Registered Office
TORONTO – ONTARIO



REPORT TO
SHAREHOLDERS

Malthouses and Elevators

Montreal, Que.	Winnipeg, Man.
Toronto, Ont.	Calgary, Alta.
Thunder Bay, Ont.	

For the six Months
ended June 30, 1980

CANADA MALTING CO. LIMITED

TO OUR SHAREHOLDERS:

Consolidated earnings for the six months ended June 30, 1980 were \$2,687,000 or \$3.07 per share, compared to \$2,566,000 or \$2.95 per share a year ago.

There was a modest decline in earnings from malting operations, as malt shipments were slightly below the level of last year and interest costs were substantially higher.

Earnings of Leaver Mushrooms improved in the first half of 1980.

On behalf of the Board,

C.F. Edwards
President and
Chief Executive Officer.

Toronto, Ontario.
August 5, 1980.

Consolidated Earnings for the Six Months ended June 30 (unaudited)

	1980	1979
Net sales	\$79,303,090	\$61,789,391
Costs and expenses:		
Cost of products sold and all expenses except items shown below.	72,138,933	55,913,435
Interest on long term debt.	16,000	20,000
Bank and other interest	1,012,402	191,590
Property rentals	348,226	303,894
Provision for depreciation.	1,178,584	1,167,763
Provision for income taxes	1,922,000	1,626,384
	<u>\$76,616,145</u>	<u>\$59,223,066</u>
Net earnings for the period	<u>\$ 2,686,945</u>	<u>\$ 2,566,325</u>
Net earnings per share	<u>\$ 3.07</u>	<u>\$ 2.95</u>

Consolidated Statement of Changes in Financial Position for the Six Months ended June 30

	1980	1979
Source of working capital:		
Net earnings	\$ 2,686,945	\$ 2,566,325
Non-cash charges deducted in arriving at earnings – Provision for depreciation	1,178,584	1,167,763
Deferred income taxes	310,816	95,000
Amortization of prepaid rent.	–	250,413
Funds provided from operations.	4,176,345	4,079,501
Shares issued under employees' stock option plan	84,219	27,627
	<u>4,260,564</u>	<u>4,107,128</u>
Use of working capital:		
Additions to fixed assets.	11,261,095	1,136,771
Dividends on common shares.	<u>789,163</u>	<u>783,903</u>
	<u>12,050,258</u>	<u>1,920,674</u>
Resulting in an increase (decrease) in working capital of . . .	(7,789,694)	2,186,454
Working capital at January 1	28,301,114	29,209,940
Working capital at June 30	<u>\$20,511,420</u>	<u>\$31,396,394</u>